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C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000261

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SUBJECT: CZECH CHRISTIAN DEMOCRATS ENDORSE MISSILE DEFENSE  
BUT AGREE ON LITTLE ELSE

Classified By: POLEC COUNSELOR MICHAEL DODMAN FOR REASONS 1.4 (B) AND (D).

¶1. (C) SUMMARY: The April 19-20 congress of the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL) endorsed missile defense but also highlighted the party's internal divisions and a leadership crisis that may speed the party's ongoing political decline. The congress was probably the last chance for the party to tackle its key problems and arrest this downward spiral before the fall regional and senate elections. By not taking this chance, KDU-CSL leaders signaled that winning internal disputes is more important than winning elections. If the current negative trends in the party's membership and public support continue, KDU-CSL may fail to win enough votes to pass the five-percent threshold for entry into the parliament in the 2010 national election. END SUMMARY.

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PARTY IN CRISIS  
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¶2. (C) KDU-CSL, a party that traces its roots to the 19th century, has been in all but one Czech government since 1989. It is one of the three parties that form the current Czech government led by PM Topolánek. However, the party's role as the key coalition partner to both the right and the left -- and an important power-broker -- has done little for KDU-CSL's success at the ballot box. Over the past decade, the party has seen its membership base shrink from 80,000 to 40,000 and its popularity has plunged dangerously close to the five-percent threshold for entry into the parliament. The party's chairman, Jiri Cunek, has been weakened by a corruption scandal and continues to struggle for political survival, despite his recent return to the government as DPM. The party itself has been divided into two warring wings and splintered in even more ways over its policy agenda. This then was the situation faced by the KDU-CSL delegates at the congress.

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LEADERSHIP CRISIS  
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¶3. (C) Even before the April 19-20 congress began, few believed that it could help resolve KDU-CSL's deep divisions and problems. In an April 10 discussion, the party's Secretary General Petr Rybar indicated that KDU-CSL leaders

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were already looking past this congress to the regional elections this fall and then the 2009 party congress, which will prove more decisive for the future of the party. It will be the 2009 congress that will vote on the party's new leadership, and results of the fall elections will be a key factor in determining who comes out on top. Although there

are no clear heirs-apparent at this time, Cunek will undoubtedly be challenged for the top job next year. KDU-CSL deputy chairman and deputy governor of the Pardubice Region, Roman Linek, told us that "Cunek has one year" to prove himself. However, given Cunek's tarnished reputation, weak position, and a complete lack of achievements during his first year in office, it is unlikely that he will survive as chairman.

¶4. (C) Cunek is certainly not going down without a fight. His chairman's address, delivered during the party congress, was filled with veiled attacks against his arch-rival, the former KDU-CSL chairman Miroslav Kalousek, who leads the party's anti-Cunek wing. Kalousek, who belongs to a league of his own when it comes to political and bureaucratic fights, chose to bide his time and not strike back. Some have speculated that Cunek remaining at the helm of the party for another year -- and through the regional elections -- is part of Kalousek's plan to ensure that Cunek will get the full blame for the expected poor electoral results in the fall. Cunek would not be able to recover from that defeat and would be easily deposed come next spring. While Kalousek pulled his punches during the congress, his good friend, PM Topolánek, did not. His speech to the delegates sharply departed from the usually boring addresses by guest speakers.

He criticized the party for ignoring its commitments under the coalition agreement and undermining the governing coalition. Even more noteworthy was his effusive praise of Kalousek and his broadside against Cunek, whom he cast as uncommitted to advancing the key KDU-CSL priority -- church property restitution.

¶5. (C) While Kalousek seems to have the upper hand vis-a-vis Cunek, he is not looking to replace Cunek. Kalousek already served as the party's chairman during 2003-2006, and resigned after being discredited by revelations that he negotiated

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with the Social Democrats on forming a government that would have been supported by the Communists. KDU-CSL Secretary General told us that Kalousek will likely retire from active politics after the 2010 elections and go into business. Kalousek indirectly confirmed this in a recent interview. That said, he will certainly work to ensure that the next KDU-CSL chairman is hand-picked by him. Possible Kalousek-backed candidates would include Pavel Severa, head of the party's parliamentary club, and Jan Brezina, current member of the European Parliament. It is unclear, however, whether either of these politicians could arrest KDU-CSL's decline.

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IDENTITY CRISIS  
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¶6. (C) An important element in the party's deteriorating fortunes is a decisive split in its ranks and policy orientation. As Kalousek put it during his short speech to the delegates at the congress: "We must decide whether we are Western European-style Christian democrats or church-going socialists." For Kalousek and his followers, the choice is clear: the party should cast itself as a conservative party focused on family values, personal responsibility, and reining in public spending. For many others, including Cunek, the party must continue to advocate policies that support families, including tax breaks, healthcare and education. The tension between these two opposing visions was on display at the congress and is in large part responsible for the less-than-inspired and watered-down final communique, as well as the "Projekt 2020" document that is to be the party's policy platform for the next 12 years.

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FOREIGN POLICY: MD AND KOSOVO  
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17. (C) The April 19-20 congress at least provided more clarity on KDU-CSL's stand on missile defense and Kosovo. The delegates endorsed a resolution calling on all KDU-CSL MPs and senators to vote for the missile defense agreements. We have heard privately from a number of KDU-CSL parliamentarians that the NATO Summit statement on missile defense played a decisive role in cementing the party's support. However, even with this resolution, it is not clear whether the party's perennial rebel, MP Ludvik Hovorka, will vote in support of the missile defense agreements. Hovorka, who has had no problems with bucking the party in the past, remains undecided on missile defense and has stated publicly that he wants to study the agreements first. (Note: We plan to meet with Hovorka in the near future to get a better sense of his position. End Note.)

18. (C) On Kosovo, the party reaffirmed its earlier stance opposing recognition. The party's resolution "recommends to KDU-CSL ministers to vote against Kosovo recognition at this time and under current circumstances." Minister for Legislation Cyril Svoboda, former Czech Minister of Foreign Affairs and KDU-CSL's leading foreign policy thinker, explained to us privately that the party will look at three factors when revisiting its current position: 1) Kosovo government's ability to govern; 2) Kosovo government's ability to protect the Serbian minority; and 3) action on investigating the allegations of atrocities contained in Carla Del Ponte's recent book. Svoboda acknowledged that the May 11 Serbian elections will play a role and hinted that the party may also be willing to trade its support for Kosovo recognition in exchange for ODS support of ICC ratification. (Note: The Czech Republic is the last EU member that is not a party to the Rome Statute due to strong opposition of some Civic Democrats (ODS), the leading coalition party. End Note.)

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COMMENT  
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19. (C) The leadership crisis and the divisions over the policy direction of KDU-CSL spell no immediate danger for the governing coalition. However, they do endanger the government's reform agenda, including the reforms already passed which some KDU-CSL members are now trying to roll back. The power struggle at the top of KDU-CSL will mean that Cunek will not always be able to deliver the votes of all his MPs, which are critical in the evenly split lower chamber of the parliament. The fall regional elections will most likely deepen the party's various crises and its attendant paralysis within the coalition. DPM Alexandr

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Vondra (ODS) recently told Ambassador Graber that KDU-CSL risked becoming a regional party, centered in southern Moravia, and surviving only through a link with ODS. If his prediction proves correct, the party's departure from the national political scene could make the formation of a coalition government particularly difficult after the next parliamentary elections in 2010.  
Graber